

# AN INFLUENCE ANALYSIS OF PRODUCT QUALITY, BRAND IMAGE, AND PRICE ON THE DECISION TO BUY TOSHIBA LAPTOP (A Study on Students of Economics Faculty of Semarang University)

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## ABSTRACT

*This study aims to analyze the influence of product quality, brand image, and price towards the decision to buy Toshiba laptop. The study is conducted on students of Economics Faculty, Semarang University. The total number of samples in the study is 96 respondents, using the purposive sampling method, while the set criteria for the said respondents are students of the Economics Faculty, Semarang University who had bought Toshiba laptop and used it for at least 3 months. Method of analysis used in this study is multiple linear regressions, the collected data which has fulfilled the validity test, reliability test, the classical assumption test, and t test that was processed using SPSS 22 program.*

*The results of this study indicate that variables of product quality, brand image, and price positively influence significantly towards the decision to buy Toshiba laptop. Based on the above findings, it is conclusive that, altogether, the three independent variables used can influence the consumers in making their decision to buy as much as 79.5%.*

**Keywords:** product quality, brand image, price, buying decision

## INTRODUCTION

Consumer buying behavior is generally unique because the preference and attitude of each consumer towards the assessment of an object is various. According to Kotler & Armstrong (2012), buying decision is an act from consumers to want to buy or not to buy a product. Buying decision is strongly influenced by an assessment of product quality, brand image and price. Therefore, the company must be able to create such product that is acceptable by the consumers.

The nowadays consumers are incredibly smart and meticulous in choosing a product, consumer's buying is highly influenced by the assessment of its quality. Kotler & Armstrong (2008) define a product quality as the ability to demonstrate a variety of functions including the robustness, precision, reliability and ease of use. Thus, it is fair to say that a company delivers quality when its products meet or exceed customer's expectations.

Consumer demand for quality product makes companies compete to improve the quality of their products in order to maintain the brand image of the product. A brand has a unique characteristic; hence, this sets the difference among the similar products.

Brand image (Alma (2005) in EndangTjahjaningsih (2009)) is the impression received in accordance with one's knowledge and experience of something. Brand image is associated

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with consumer's belief in a brand. There are plenty of measures taken by a company to maintain a brand image, such as innovation of a product technology advantage, appropriate pricing, etc.

Generally, the most critical influential factor in purchasing is the price. For every company, price setting is a critical decision. Price is not only used as a product quality indicator but also as the cost incurred, to be exchanged for the product and its benefit. According to Kotler & Armstrong (2008), a price is a sum of money that is levied on a product or service, or the sum of a value exchanged by customers to get the benefit from owning or using a product or service. Price is an element of a marketing mix that provides income for a company. For a company, price setting is one of the supporting elements to grow rapidly.

Technology industry is one of the fastest growing industries, owing to the support from the government and the parties concerned in the world of technology by way of a remarkable sophisticated advancement of technology and that the consumers wish for a fast, sophisticated and easy technology.

Looking at this phenomenon, the company sees it as an opportunity utilized by the computer technology industry to produce various brands of laptops, especially those available in Indonesia.

The market share of laptops in Indonesia is illustrated in the following table:

**Table 1:**  
**Data of Laptop Market Share 2014-2016**

Brand	Year		
	2014	2015	2016
Acer	10.00%	8.90%	9.00%
Toshiba	6.60%	4.20%	1.60%
Asus	9.40%	11.00%	16.50%
Apple	7.40%	5.20%	3.30%
HP	20.10%	20.50%	20.70%
Lenovo	17.50%	19.90%	20.00%
Dell	12.30%	13.70%	14.00%
Samsung	2.70%	1.70%	2.40%
Sony Vaio	0.60%		
Others	13.40%	14.90%	12.50%

Source: <http://www.trandforce.co.id>, (accessed February 16, 2017)

From table 1, Acer and Samsung brands were experiencing a decline in the market share in 2015. Although the brands were back in 2016, but there are other laptop brands that increased their market share quite drastically, namely Asus, HP, Lenovo and Dell. There are, however, other brands that experienced a drastic decreased in the market such as Toshiba and Apple.

Based on its market segmentation, Apple laptop is targeted for the middle to upper segment, while Toshiba is targeted for middle to lower segment. Based on the said market share, Toshiba has less market share than Apple's market share. Toshiba laptops are more popular among students than Apple laptops which are rarely used among students in this population.

Regardless of its competitors, Toshiba laptop is one among the brands that are less competitive within market share in Central Java. This is shown with the sales decline in 2015 and 2016 as shown in the following table.

**Table 2:**  
**Sales Data of Toshiba laptop in Central Java 2014-2016**

<b>Year</b>	<b>Total (unit)</b>	<b>% Growth</b>
2014	2,684,073	
2015	1,992,060	-25.70%
2016	1,794,057	-9.90%

Source: <http://ww1.tribunews.com> (accessed April 15, 2017)

Table 2 shows the sales figures of Toshiba laptop in Central Java in 2014-2015 has experienced a significant decrease of 25.7%, while sales figures in 2015-2016 also experienced a significant decrease of 9.9 %. In addition to the highly competitive market, the decline is also influenced by various factors of consumer decisions in buying laptop; consequently, Toshiba management has to be smart in marketing their products.

There are a lot of factors that influence consumers in making buying decision. To find out what factors influence the decision to buy laptop, the authors used a replica from several relevant research articles regarding independent variables that influence consumer buying decisions and a preliminary-survey that was conducted on 20 students of Economics Faculty, Semarang University.

The notion that a person decision to buy laptop is influenced by several factors is supported in several articles, e.g. In Defriansyah, et al (2015), Tjahjaningsih&Yuliani (2009), Julistyo&Oetomo (2015), Anggara&Wibasuri (2012), Tunjungsari&Iriani (2015), Yazila (2014), and Utami&Suhermin (2016). According to the said articles, the study finds that there are a lot of factors that influence the buying decision, i.e. product quality, promotion, social, brand image, personal, brand loyalty, price, brand extension, after-sales service, and advertising. A preliminary survey conducted on 20 students of Economics Faculty, Semarang University shows that there are three most significant variables, i.e. product quality, brand image and price.

## **LITERATURE STUDY AND HYPOTHESIS DEVELOPMENT**

### **Consumer Behavior**

The more advanced the economy and technology, the faster the developing strategy that must be executed by a company, especially in the field of marketing. Therefore, a company needs to understand or study the behavior of its consumer in relationship with the purchase made by the consumer. Consumer behavior is the science to determine the type of product or service required. According to Kotler (2005), consumer behavior is influenced by cultural, social, personal and psychological factors.

### **Buying Decision**

Buying decision is a person's personal aspects which play a considerable role on one's behavior attitudes and interest, and it is also a source of motivation that will lead one in doing

what one would like to do. Further, Kotler (2006) also states that buying decision is a process of problem solving consisting of analyzing or recognizing a need and identification, information searching, assessment of selection sources to alternative purchases, buying decisions, and buying behavior towards a product.

### **Product Quality**

Kotler & Armstrong (2008) define a product quality as the ability to demonstrate a variety of functions including the robustness, precision, reliability and ease of use. A product quality is the quality of the product produced by a company where a good quality product will give customers a satisfaction and result in repeat purchase.

Kotler (2009) writes that a product is everything that can be offered to the market with the goal to get attention, to be bought, used, or consumed that can satisfy the wants or needs of customers. To introduce or develop a product, producers must create a quality that can reflect and support a product positioning in the marketplace.

A product is said to have been consumed by a customer if the product has been purchased and perceived its usefulness or benefits. Customers who are satisfied with the quality of a product offered and have proven the perceived benefits of the product, will be more motivated to buy the product.

### **Brand Image**

A brand is an additional identity of a product that not only distinguishes it from competitor's product, but also a producer's guarantee to the consumer by ensuring a consistency that a product will always be able to deliver the expected value to its consumers. Kotler & Keller (2009) define a brand as a name, term, sign, logo or design, or a combination of the above, intended to identify goods or services of one of the sellers or groups of sellers, and to differentiate them from their competitors. A brand is the most fundamental point and it must be set by a company to establish its brand position.

Kotler and Keller (2009) suggest that a brand image is a perception and belief held by consumers like an association embedded in the mind of consumers. According to Alma (2005) in Tjahjaningsih (2009), a brand image is an impression received based on one's knowledge and experience towards something. Brand image is associated with consumer's belief in a brand.

### **Price**

According to Kotler & Armstrong (2008), a price is a sum of money that is levied on a product or service, or the sum of a value exchanged by customers to get the benefit from owning or using a product or service. Kotler (2008) states that there are six main businesses a company can achieve through price, namely: survival, short-term profit maximization, short-term earnings maximization, sales growth maximization, superior market share, and excellence in quality product.

### **Hypotheses**

H1: There is a positive influence of product quality towards buying decision

H2: There is a positive influence of brand image towards buying decision

H3: There is a positive influence of price towards buying decision

## RESEARCH METHOD

### Population and Sample Determination

The population in this study is all students of Economics Faculty, Semarang University who had bought Toshiba laptop. The sampling technique used in the study is a non-probability sampling, using purposive sampling method, i.e. determination of sample based on a certain criterion specified by the authors. The criteria used to determine the sample are students of Economics Faculty, Semarang University who bought and used Toshiba laptop for at least three months. Using the Slovin formula, the study employs a total number of samples of 96 respondents.

## RESULT AND DISCUSSION

### Multiple Linear Regression Analysis

The hypothesis testing used to find out about the influence of independent variable are Product Quality (X1), Brand Image (X2), and Price (X3) towards the dependent variable which is Buying Decision (Y). The study employs multiple linear regressions. The following is the result of regression equation:

**Table 3:**  
**Analysis of Multiple Linear Regressions**

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	1,036	,435			2,380	,019
Product Quality	,271	,042	,347		6,483	,000
Brand Image	,148	,064	,185		2,319	,023
Price	,314	,037	,620		8,430	,000

### Regression Equation

$$Y = 0.347 X_1 + 0.185 X_2 + 0.620 X_3 + e$$

In which:

Y = Buying Decision

X1 = Product Quality

X2 = Brand Image

X3 = Price

### Determination of Coefficient Test

The following table illustrates the results of determination coefficient

**Table 4:**  
**Result of Determination Coefficient**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,895 <sup>a</sup>	,801	,795	1,082

Based on a calculation using SPSS 22 program, it is found that the value of determination coefficient (Adjusted R Square) is 0.795. This means that 79.5% of variations in buying decisions can be explained by variables of product quality, brand image, and price, while the remaining 20.5% can be explained from other than the three mentioned variables.

**The Influence of Brand Image towards Buying Decision**

Result of this study indicate that variable of brand image has a significant positive influence on buying decision with t test  $2.319 > t \text{ table } 1.6614$  and with a significance of  $0.023 < 0.05$ . Result of the study is in line with the studies conducted by Defriansyah, Daud&Nailis (2015), Tjahjaningsih&Yuliani (2009), Utami&Suhermin (2016) which state that a brand image has a positive and significant influence on buying decision.

**The Influence of Price towards Buying Decision**

Result of this study indicate that variable of brand image has a significant positive influence on buying decision with t test  $8.430 > t \text{ table } 1.6614$  and with a significance of  $0.000 < 0.05$ . Result of the study is consistent with the research of Julistyo&Oetomo (2015), Utami&Suhermin (2016) which state that a price has a positive and significant influence towards buying decision.

**CONCLUSION****Conclusion**

To increase the sales of Toshiba laptops, the known knowledge on variables that influence the consumers in purchasing Toshiba laptops i.e. product quality, brand image, and price is used as an input. The followings are the results of analysis conducted on variables that influence the buying decision. Accordingly, it can be concluded that the quality of a product has a positive and significant influence on buying decision. The better the quality of a product, the higher the likelihood of buying decision. A brand image has a positive and significant influence towards buying decision. The better the image of a product, the higher the likelihood of buying decision. A price has a positive and significant influence towards buying decision. The higher the price offered in accordance with the quality of the product offered, the greater the buying decision.

**Suggestions**

Based on the above conclusions, the authors thus can suggest an input to Toshiba Corporation as the manufacturer of Toshiba laptop to increase the durability of their product, such as adding a more durable keyboard quality, so that consumer buying decisions towards Toshiba laptops can increase. The company also needs to improve its brand image, so that the consumer buying decision for Toshiba laptops will increase. By providing a price conformance with benefit, for example, not only a laptop with a relatively expensive price, but also a laptop that can help in completing the work fast and provide entertainment for the user, the buying decision will increase.

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